



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 01/14/03
AGENDA ITEM 2
WORK SESSION ITEM _____

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Consideration of Hayward's Membership in the Bay Area Water Supply and Conservation Agency

RECOMMENDATION:

It is recommended that the City Council set a public hearing date of February 18, 2003 to consider Hayward's membership in the Bay Area Water Supply and Conservation Agency.

DISCUSSION:

On October 1, 2002, a work session was held with the City Council to review three pieces of legislation sponsored by Assembly Member Lou Papan and State Senator Jackie Speier to address the issue of regional water supply reliability, to ensure that the regional water system receives needed improvements, and to give suburban water agencies a stronger voice in regional water resource planning and conservation. All three bills were approved by the California Legislature and signed into law by Governor Davis.

The subject of this report is AB 2058, the Bay Area Water Supply and Conservation Agency Act, which enables the formation of the Bay Area Water Supply and Conservation Agency. This Agency, consisting of purchasers of water from SFPUC who choose to join, would address regional water supply issues, including supply reliability in the event of an earthquake and during drought years, as well as water conservation issues and other water issues of regional interest.

Description of the Bay Area Water Supply and Conservation Agency

Briefly, the formation of the Bay Area Water Supply and Conservation Agency is intended to enable local governments responsible for water distribution to establish a multi-county agency authorized to plan for and acquire supplemental water supplies, to encourage water conservation and use of recycled water on a regional basis, and to assist in the financing of essential repairs and improvements to the San Francisco regional water system, including seismic retrofit. The Agency could acquire water rights and sell wholesale water and would be empowered to issue revenue bonds to finance construction or improvement projects to benefit

members. Appropriate fees would be charged to each member to pay for Agency costs and debt service obligations.

A Board of Directors, consisting of a representative from each member entity, would govern the Agency. Each entity would appoint a representative, who may be an elected official from the public agency members or a corporate board member from private member entity. Staff will provide a full description of the functions and governance of the Agency at the time of the public hearing, discussed in the next section, to consider Hayward's membership.

Formation of the Bay Area Water Supply and Conservation Agency

AB 2058 is enabling legislation, that is, it provides for the formation of a new agency if certain conditions are met. The first step is for any single BAWUA member to declare its intention to form the Agency. Earlier this month, Alameda County Water District passed a resolution for such formation. Now that this declaration has been made, entities that are eligible to join the Agency, including Hayward, are required by law to schedule a public hearing within sixty days. Once the public hearing has been conducted, it will be necessary to adopt a resolution stating Hayward's intention regarding the Agency, whether it is to join or decline to join. The Agency is formed by declaration when at least 15 public entities, representing at least 60 percent of suburban water usage, agree to join. If Hayward elects to join the Agency, a representative to the Board of Directors must be appointed within a specified time

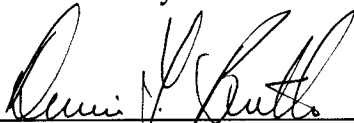
The only recommended action at this time is to set a public hearing date to consider whether Hayward will join the Agency. Staff recommends the date of February 18, 2003 to allow sufficient time for the review and analysis of the issues and potential consequences related to Hayward's decision on this matter.

Prepared by:



Alex Ameri, Deputy Director of Public Works/Utilities

Recommended by:



Dennis L. Butler, Director of Public Works

Approved by:



Jesús Armas, City Manager